1. BACKGROUND

General SIP Requirements

California's 2007 State Implementation Plans (SIPs) are a combination of State and local air quality planning documents that must show how California will meet federal the 8-hour ozone standard statewide. The San Joaquin Valley, South Coast Air Basin, Sacramento region, San Diego, Ventura, and a number of air districts downwind of urban areas are nonattainment for the ozone standard. Ozone SIPs must be submitted to the U.S. Environmental Protection Agency (U.S. EPA) by June 15, 2007. The final statewide SIP will include ARB's emission reduction strategy for sources of pollution under State and federal authority, and, from every local region not meeting federal standards, a plan containing a strategy for reducing emissions from sources under local air district control.

The ozone SIPs must include an attainment demonstration and show that there will be steady progress in reducing emissions during the years leading to the attainment date – equal to about 3 percent per year. Plans need to meet federal completeness criteria, which includes evidence of commitment, legal authority, enforceability, and ability to fund emission control measures. Technical requirements must also be met regarding emissions inventory, air quality data, and modeling of future year air quality.

In addition to ozone SIPs, the South Coast and San Joaquin Valley must prepare PM2.5 SIPs for submittal to U.S. EPA by April 5, 2008. For the South Coast Air Basin, the South Coast Air Quality Management District is developing a PM2.5 SIP in parallel with the ozone SIP. The San Joaquin Valley PM2.5 SIP in on track to be submitted in 2008.

The 2007/2008 ozone and PM2.5 SIPs are another step in the air quality planning process that over the years has helped define new actions to improve California's air quality. ARB has adopted a series of regulations over the past 10 years to implement measures in the 1994 ozone SIP, as well as additional new ARB measures identified in the 2003 SIP update. New mobile source regulations, reformulated gasoline, and multiple consumer products regulations envisioned in these SIPs have been adopted and are being implemented today. And, while California has serious air quality challenges ahead, it is important to recognize the progress made as a result of California's landmark air pollution control programs. With that experience and history of success, we need to continue to do more. ARB staff recognizes the importance of the new State measures and are proposing a full slate of new measures for development and consideration by the Board.

National Air Quality Standards

The U.S. EPA adopts standards for ambient (outdoor) air pollutants designed to protect public health. Extensive studies on the health effects of air pollution worldwide have confirmed the importance of continuing to reduce people's exposure to air pollution. U.S. EPA is required to review its air quality standards every five years.

In July 1997, the federal government announced new national ambient air quality standards (NAAQS) for the pollutants ozone and particulate matter (PM). The new standards provide more protection from the harmful health effects of these pollutants. The ozone standard was revised to protect against longer pollutant exposure periods by requiring that ozone concentrations not exceed specified levels over an 8-hour period instead of a 1-hour period. A new particulate matter standard was added to protect against the smaller inhalable particles, less than two microns in diameter (PM2.5). Air quality standards have become more stringent over time as new studies have shown adverse health effects at lower levels. The standards below are the current benchmark for federal SIP requirements. U.S. EPA is currently reviewing the adequacy of the current 8-hour standard. And in December 2006, U.S. EPA adopted a more stringent 24-hour PM2.5 standard of 35 micrograms per cubic meter. This will likely mean that several new areas will be required to prepare a plan to attain the newer standard. Initial State recommendations for nonattainment areas are due in late 2007, with final nonattainment areas determined by U.S. EPA in early 2010. Plans for the revised 24-hour standard will be due in 2013, with attainment dates to be determined after U.S. EPA issues transition guidance.

Ozone Standard

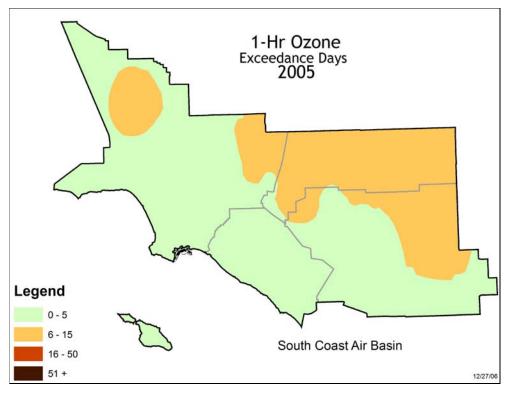
0.08 parts per million for 8 hours, not to be exceeded, based on the fourth highest concentration averaged over three years.

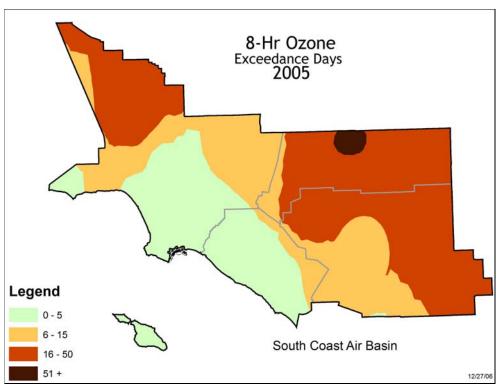
PM 2.5 Standards

65 micrograms per cubic meter for 24 hours, not to be exceeded, based on the 98th percentile concentration averaged over three years, and 15 micrograms per cubic meter annual average (arithmetic mean) averaged over three years.

How much more stringent is the 8-hour ozone standard than the 1-hour ozone standard? The two maps on the following page illustrate a dramatic difference in exceedance days (number of days that violated the standard) for the 1-hour standard versus the 8-hour standard in the South Coast air basin in 2005. While many areas of California continue to be in violation of federal air quality standards, real air quality progress has been made, as we will illustrate later. The clean air bar simply continues to be raised as we learn more about the health effects of air pollution.

Comparison of 1-Hr Ozone Standard and More Stringent 8-Hr Ozone Standard in the South Coast Air Basin





Health Effects of Ozone and PM2.5

Ozone

The formation and health impacts of ozone are very well studied. Ozone is a highly reactive gas that forms in the atmosphere through complex reactions between chemicals directly emitted from motor vehicles, industrial plants, consumer products and many other sources. It forms in greater quantities on hot, sunny, calm days making the summer season the key exposure period.

Considerable research over the past 35 years has investigated how people respond to inhaling ozone. These studies have consistently shown that ozone can lead to inflammation and irritation of the tissues lining the human airways. This causes the muscle cells in the airways to spasm and contract, thus reducing the amount of air that can be inhaled. Symptoms and responses to ozone exposure vary widely, even when the amount inhaled and length of exposure is the same. Typical symptoms include cough, chest tightness, and increased asthma symptoms. Ozone in sufficient doses can also increase the permeability ("leakiness") of lung cells, making them more susceptible to damage from environmental toxins and infection.

Medical studies of large populations have found that ozone exposure is associated with an increase in hospital admissions and emergency room visits, particularly for lung problems such as asthma and chronic obstructive pulmonary disease. Several studies have also associated ozone exposure with increased premature mortality in elderly people with chronic diseases of the lungs and circulatory system.

People who exercise or work outdoors are at greater risk of experiencing adverse health effects from ozone exposure because they inhale more ozone. Current evidence has linked the onset of asthma to exposure to elevated levels of ozone in exercising children. Children and adolescents are at increased risk because they are more likely to spend time outdoors engaged in vigorous activities than adults and because they inhale more ozone per pound of body weight.

PM2.5

Particulate matter (PM) air pollution is also well studied. Particulate matter pollution is a complex mixture that consists of dry solid fragments, solid cores with liquid coatings, and small droplets of liquid. PM can be directly emitted into the air in forms such as dust and soot. It can also be formed in the atmosphere from the reaction of various gases. Particulate matter is less than 10 microns in diameter (a micron is one-millionth of a meter) and is called PM10. Even smaller particles, those 2.5 microns or less in diameter, are called "fine particles" or PM2.5, and are the target of this SIP. PM2.5 is a component of PM10.

Extensive research has shown that PM can be inhaled into the deep portions of the lungs. Some inhaled particles are exhaled again, but others deposit in the lungs, which can lead to inflammation in both the lungs and the circulatory system. PM2.5 poses an increased health risk because it can penetrate deeper into the lungs and may also enter the bloodstream.

Population-based studies in hundreds of cities around the world have demonstrated a strong link between elevated particulate matter levels and premature death in people with pre-existing heart or lung disease. The two most important of these studies were performed in many cities in the United States, and have been ongoing for over 15 years. Both of these studies found a strong relationship between long-term PM exposure and premature death.

Scientists have observed higher rates of hospitalization, emergency room visits and doctor's visits for respiratory illnesses or heart disease during times of high PM concentrations. During these periods of high PM levels, scientists also observed the worsening of both asthma symptoms and acute and chronic bronchitis, and reductions in various measures of lung function.

The elderly and people with heart and/or lung diseases are particularly at risk of experiencing adverse effects from PM exposure. Studies have also shown that children may be particularly vulnerable to PM effects. There is evidence from the 10-year Children's Health Study funded by the ARB that in communities with high levels of PM children's lungs develop more slowly and that at maturity they tend to have lower lung capacity than children who grow up in communities with lower levels of PM. Just as with ozone, children and infants may also be more at risk of experiencing adverse effects from PM because they inhale more air per pound of body weight than do adults, they breathe faster, and have smaller body sizes. In addition, there is some evidence that children's immature immune systems may cause them to be more susceptible to PM than adults.

Nonattainment Areas and Air Quality Trends

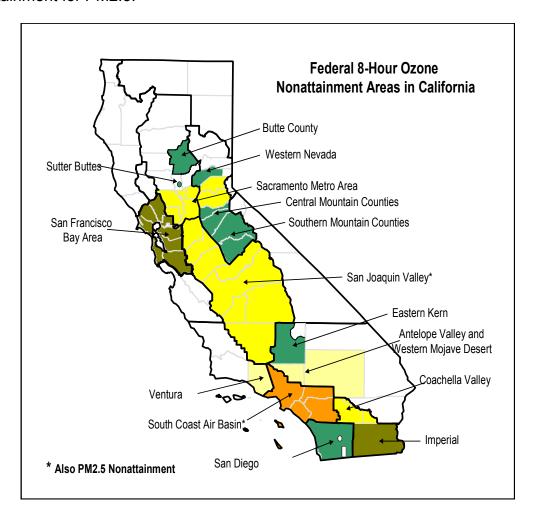
Geographic areas that exceed a federal air quality standard are called nonattainment areas. A comprehensive network of monitoring stations throughout California measures air quality and provides the data necessary to determine whether an area meets or exceeds federal ozone and PM2.5 air quality standards.¹

Compliance with the federal ozone and PM2.5 standards is based on pollutant concentrations, measured at a comprehensive network of monitoring stations throughout California, averaged over three years. These three-year averages are called *design values*. Air quality monitoring in the years 2001 through 2003 was used by

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¹ More about California's air quality monitoring network can be found on ARB's website at: http://www.arb.ca.gov/aaqm/aaqm.htm

U.S. EPA to designate 15 areas in California as nonattainment for the federal 8-hour ozone standard. The San Joaquin Valley and South Coast Air Basin are also nonattainment for PM2.5.



A specific year's design value is averaged over three years. For example, the design value for the year 2001 reflects the averages for the years 1999, 2000, and 2001. Ozone design values are an average of the fourth highest concentrations for each of the last three years. Design values for the PM2.5 annual average reflect annual average (arithmetic mean) concentrations averaged over the last three years. The PM2.5 24-hour design values reflect the 98th percentile concentrations averaged over the last three years.

For the ozone standard, areas are classified based on the severity of the problem. In descending order in terms of magnitude of the problem, the classifications are *extreme*, *severe*, *serious*, *moderate*, and *marginal*. The Clean Air Act provides more time to meet the standard based on the severity of the problem. Based on its classification an area is given an attainment deadline. A special designation, called *basic*, refers to nonattainment areas governed under a separate set of requirements in the Clean Air Act. The current designations may be affected by a recent court decision. This issue will be further discussed in our final 2007 SIP proposal. For PM2.5, U.S. EPA simply designated the South Coast and San Joaquin Valley as nonattainment without

application of the classification scheme used for PM10. This results in an attainment deadline of 2015.

Ozone Nonattainment Area	Nonattainment Designation (Current / Anticipated)	Attainment Year (Current / Anticipated)
South Coast Air Basin	Severe / Extreme	2021 / 2024
San Joaquin Valley	Serious / Extreme	2013 / 2024
Coachella Valley	Serious / Severe	2013 / 2019
Sacramento Region	Serious / Severe	2013 / 2019
Antelope Valley and Western Mojave Desert	Moderate / Severe	2010 / 2019
Ventura County	Moderate / Serious	2010 / 2013
Imperial County	Marginal	2007
San Francisco Bay Area	Marginal	2007

The above table lists the marginal through extreme nonattainment areas for the federal 8-hour ozone standard, while the table to the right lists the areas with the special basic ozone nonattainment designation. The Clean Air Act allows changing of nonattainment designations and the extension of the attainment deadline if the State believes a change is needed after analyzing the nature of the ozone problem and challenges to meet the standard. So the above

Basic Ozone Nonattainment Areas Attainment Year 2009-2014
Butte County
Central Mountain Counties
Eastern Kern County
San Diego County
Southern Mountain Counties
Sutter Buttes
Western Nevada County

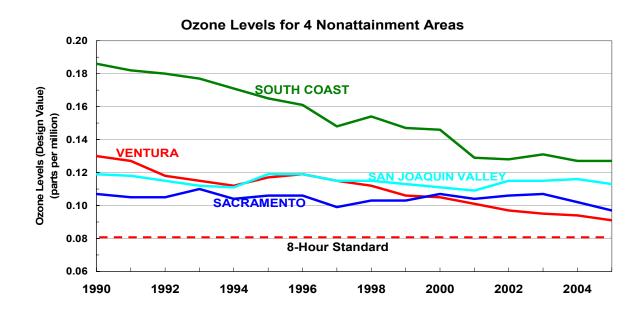
table includes the current attainment designations, as well as designation changes that may be needed based on preliminary analyses.

For this set of SIPs, U.S. EPA has provided guidance on how to interpret the attainment deadline as it relates to attainment demonstrations. The question arises because the deadlines are mid-year. The ozone attainment deadline is June 15 and the PM2.5 deadline is April 5 of the attainment year. To address the issue, U.S. EPA guidance calls for the analysis of attainment to be done for the year prior to the actual attainment year. For consistency and simplicity, however, this document refers to emission reduction targets by the actual attainment year. For example, for an extreme nonattainment area with an attainment year of 2024, the emission reduction target is also listed for 2024, even though the emission reduction targets are based on emissions in 2023.

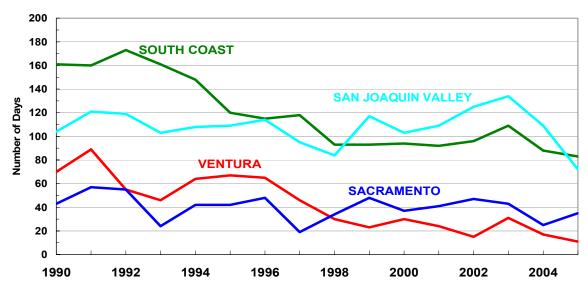
Ozone Trends

A snapshot of four ozone nonattainment areas on the next page shows ozone levels (design values) relative to the federal standard and number of days over the standard since 1990. The ozone levels chart gives a sense of recent progress toward meeting the standard as well as how far we still have to go. The San Joaquin Valley and the South Coast have the most days exceeding the standard and the South Coast has the

highest design values. In general, ozone trends show the greatest improvement in coastal areas like San Diego and Ventura.

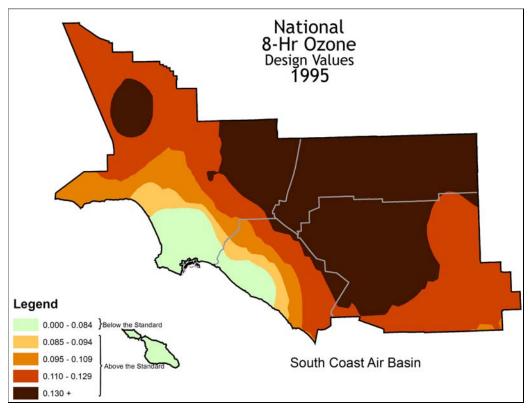


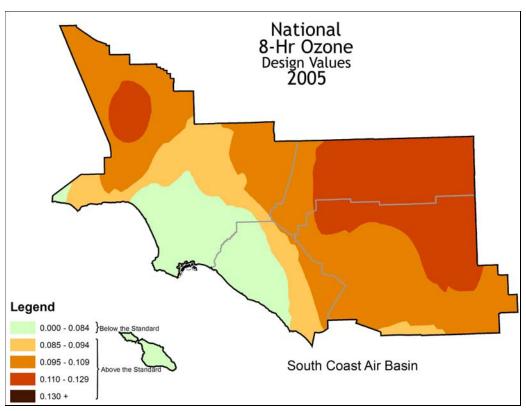
Days Over Standard: 4 Nonattainment Areas



South Coast's ozone concentrations have been cut by about a third since 1990, but the region's design value is still 50 percent over the level of the standard and progress has slowed in recent years. Fifteen years ago, the highest values were widespread throughout the basin. Now, the number of communities within the basin experiencing the highest values is substantially smaller. The maps on Pages 11-12 show this progression of air quality progress.

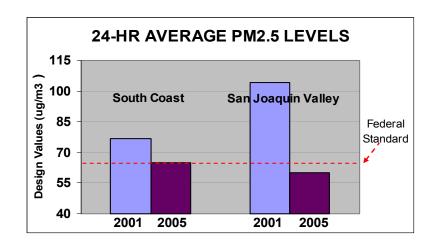
Ozone Air Quality Comparison – South Coast 1995 to 2005

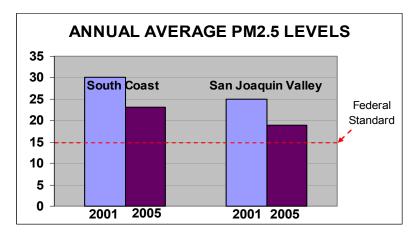




PM2.5 Trends

Both the South Coast and San Joaquin Valley are showing good progress toward PM2.5 attainment. As of 2005, both regions are meeting the 24-hour standard. In addition, annual average PM2.5 design values have declined by 25 percent since 2001. In terms of the remaining challenge, the South Coast levels are still about 50 percent above the standard, and the San Joaquin Valley levels are about 25 percent above the standard.





Development of State Strategy

In developing our proposed statewide emission reductions strategy, ARB staff worked closely with air districts on attainment demonstrations for ozone for each area and a PM2.5 attainment demonstration for the South Coast. In that process, emissions inventories are developed and air quality models are used to establish a region's "carrying capacity" and to calculate the additional emission reductions needed for attainment.

The emission reduction targets serve three purposes. First, they provide an indication of how far the existing control program will take each region toward attainment and if

additional reductions from new measures are needed. Second, they indicate how much time a region may need to reach the standards and if a classification change to a later attainment date is likely needed. And third, they provide a benchmark for designing new emission reduction measures.

The magnitude of the attainment challenges in the South Coast and San Joaquin Valley, as shown in the next chapter, are the drivers for ARB staff's proposed statewide strategy. The new SIP measures are also needed for the Sacramento region. California's other ozone nonattainment areas, including San Diego and Ventura, are projected to attain by their assigned deadline based on the benefits of previously adopted SIP measures.

Given the severity of the ozone problems in the South Coast and San Joaquin Valley, both regions will likely need to be classified as extreme (see discussion in regional summaries) with attainment deadlines of 2024. The PM2.5 deadline for both areas is 2015. This earlier deadline and the South Coast PM2.5 carrying capacity framed staff's analysis of new near-term measures. The other key driver for developing new SIP strategies is to reach ozone attainment in both regions as quickly as possible.

Chapter 2 will summarize the process of determining the emission reduction targets and show those targets for the South Coast and San Joaquin Valley. The process consists of developing an emissions inventory and performing data analyses and air quality modeling based on that inventory to establish the emissions limit that ensures air quality standards are met.

Air Pollution Transport

Air pollution transport, by definition is quite simple – air movements carry pollutants from one area to another. In reality, air pollution transport is a very complex phenomenon. It is three-dimensional and can occur at ground level or in upper air levels aloft. With modeling for the State being split into two modeling domains – one for Northern and Central California and one for Southern California, transport relationships between air districts within these large domains are implicitly captured within the models. This is the mechanism ARB uses in its oversight role to ensure transport impacts on downwind areas are addressed for purposes of both State and federal air quality standards. In terms of attainment demonstrations, inputs to the modeling for a downwind area include forecasted emission reductions in upwind areas. This way the attainment demonstration takes into account the shared responsibility for reducing emissions in regions where air pollution transport can at times be significant.

Other Programs

In addition to SIPs, ARB has multiple plans and programs to reduce air pollution throughout California. Emission reduction strategies from many of these programs are taken into account in the ozone and PM2.5 SIPs.

ARB Goods Movement Plan

The Emission Reduction Plan for Ports and Goods Movement in California, approved by ARB in April 2006, is one of the main contributors of new measures necessary to meet federal air quality standards. Most goods that move within and through California do so by truck. Ships are the largest source of SOx emissions in the State. Heavy-duty trucks are the largest statewide source of NOx emissions. These air pollution realities make it impossible to tackle the PM2.5 challenge without addressing goods movement emissions. Likewise, emission reduction targets for ozone will not be met without reducing emissions related to goods movement.

The strategies included in the goods movement emission reduction plan target ships and trucks, as well as the other three main sources of goods movement emissions: harbor craft, cargo handling equipment, and locomotives. By 2020, these strategies will cut statewide goods movement emissions of NOx by 63 percent, SOx emissions by 78 percent, and will also reduce the statewide health risk from goods movement-related diesel particulate matter 85 percent.

Work on many of the strategies in the goods movement emission reduction plan is underway and serves as the starting point for near-term actions to meet the emission reduction targets for the SIPs. These strategies will provide essential new emission reductions needed for regional attainment, while they reduce the air pollution-related health risk for those who live near our ports, railyards, distribution centers, and other goods movement facilities.

ARB Diesel Risk Reduction Plan

An important source of directly emitted PM2.5 is diesel exhaust. The particulate matter from diesel-fueled engines (diesel PM) has been singled out as a particularly harmful pollutant and identified as a toxic air contaminant by the Air Resources Board in 1998. Nearly 70 percent of the known cancer risk caused by air toxics is attributed to diesel PM. In 2000, ARB adopted a plan to reduce diesel PM emissions 85 percent by 2020, and has since adopted a number of regulatory measures to reduce diesel PM emissions statewide. Additional measures are under development. Diesel PM control measures in the plan are reducing both direct diesel PM and NOx emissions through a combination of engine retrofits and replacements. Upcoming mobile source fleet measures to reduce diesel PM and NOx emissions are a critical part of the new SIP strategy as well the Diesel Risk Reduction Plan.

Environmental Justice

The SIPs consist of strategies designed to bring a region's air quality into compliance with federal standards. SIPs must be designed to ensure air quality standards throughout the entire region, so achieving air quality standards provides public health benefits to every community. This makes SIP implementation important to meeting ARB's community health and environmental justice goals. As part of our environmental justice program, ARB has initiated air quality studies in several communities and continues to focus resources on mobile source enforcement in environmental justice

communities. ARB's Air Quality and Land Use Handbook, approved by ARB in May 2005, provides guidance to help improve local land use decisions that can negatively impact public health at the community level.

ARB's SIP strategies have a significant nexus to community health due to the emphasis on cleaning up the legacy fleets of diesel engines. Much of the large equipment and vehicles that help construct our buildings and highways and move our goods are not well controlled and have very long lives. Adopting rules to clean up these fleets will have an immediate and significant effect on the communities where these sources are concentrated.

Regional Haze

The same particulate air pollutants that affect public health also extinguish and scatter light, thereby obscuring visibility. The federal Clean Air Act set the far-reaching goal of achieving natural visibility conditions by 2064 in the nation's most treasured parks and wilderness areas. Of the 156 designated areas, 29 are in California, managed by the National Park Service and the U.S. Forest Service. Therefore California is working in concert with fourteen other western states to reduce controllable emissions of particulates so that regional haze is reduced in the western region of the country. In 1999, the U.S. Environmental Protection Agency published rules to guide the preparation of Regional Haze State Implementation Plans to reduce regional haze.

ARB is currently preparing the first regional haze plan for the entire State, for transmittal to EPA by the December 17, 2007 deadline. General trends in California since the 1990s show that emission controls are improving visibility in our parks and wilderness areas. The regional haze plan will show how these controls constitute reasonable progress along the path to natural visibility. In 2012, ARB will conduct a mid-course review of measured visibility changes and analyze how emission reductions implemented to achieve the 8-hour ozone and the PM2.5 standards will move the State further along the path to natural visibility in the future.

Climate Change

ARB's implementation of the Global Warming Solutions Act of 2006 (AB 32) is a major new effort just underway. These activities, including future rulemaking, will occur on a parallel but separate track as we proceed with implementation of our SIP strategies. The statutory requirements and timelines are different, so it is not appropriate to include potential co-benefits of greenhouse gas strategies in SIP documents at this point. However, as greenhouse gas reduction measures are developed and adopted, ARB staff will do the necessary technical work to determine the impact on ozone and PM2.5 precursor pollutants.

2. TECHNICAL FOUNDATION

Emissions Inventory Overview

Developing attainment strategies requires an understanding of the sources of the pollution, the quantities emitted, and how air pollution controls and growth will impact future emission levels. There are multiple types of emission inventories used in air quality programs including annual averages, seasonal, and day-specific modeling inventories. SIPs rely on region specific inventories that may differ from the statewide picture. In the regulatory development process emission inventories are typically refined since inventory data is a key input for cost-effectiveness evaluations. This is an important inventory improvement mechanism, and ARB staff incorporates these updates into the statewide inventory.

The emissions inventory serves three principle roles in the SIP process:

- It provides a primary input to the modeling necessary to determine the emission reductions needed for attainment;
- It supplies comprehensive emissions information for the development of emission reduction strategies;
- And after the SIP is approved, it is used to track progress of the emission reduction commitments outlined in the plan.

California is a diverse State with many sources of air pollution. ARB, in cooperation with local air districts, maintains a statewide emissions inventory. The inventory is constructed based on four major emission categories:

- Stationary Sources -- generally industrial facilities, which can be identified by a name and location.
- Areawide Sources -- either small individual sources, such as residential fireplaces, or widely distributed sources that cannot be tied to a single location, such as consumer products and dust from unpaved roads.
- On-Road Mobile Sources -- includes on-road cars, trucks, buses, etc.
- Off-Road Mobile Sources -- includes off-road vehicles such as boats, off-road recreational vehicles, aircraft, trains, ships, industrial and construction equipment, farm equipment, and other equipment.

The statewide emissions inventory developed by ARB and the local air districts includes all the main sources of emissions – all of the many on-road and off-road mobile sources and all the various stationary and areawide sources. Estimating the amount of emissions statewide and in each region is done by summing the emissions from each source. The statewide inventory for the 2007 SIP development uses ARB's November 2006 on-road motor vehicle model (EMFAC) and ARB's off-road mobile source model. Stationary source emissions are provided by local air districts. The regional SIP inventories are discussed in Chapter 5, Regional SIP Summaries.

Precursor Pollutants

Air pollutants that react to form ozone and PM2.5 in the air are called precursor pollutants. For ozone, the main precursor pollutants are nitrogen oxides (NOx) and reactive organic gases (ROG). There are four main precursors of PM2.5: NOx, ROG, sulfur oxides (SOx) and ammonia (NH3). PM2.5 can also be directly emitted into the atmosphere (direct PM2.5) in various forms that include smoke from fires, dust from paved and unpaved roads, and particle emissions from the burning of fossil fuels.

PM2.5 pollution is a complex mixture and air quality modeling is used to assess the relative effectiveness of reducing each precursor pollutant as well as directly emitted PM2.5. Current data analysis and air quality modeling indicates that two of the four precursors, NOx and SOx, are significant in reducing PM2.5 concentrations in the South Coast, and that the emission control strategy would be served best by focusing on reducing emissions of these two precursor pollutants. There is also a small PM2.5 benefit from ROG emission reductions, but benefits from ammonia emission reductions were found to be insignificant. Reducing direct PM2.5 is also an effective strategy according to recent modeling.

NOx. Nitrogen oxide emissions are produced by the combustion of fuels in engines, furnaces, or fires. Today mobile sources make up about 85 percent of the total statewide NOx emissions. This percentage decreases over time as motor vehicle fleets become cleaner. Categories like locomotives, ships, and aircraft continue to grow. Stationary sources of NOx include combustion processes in industries such as manufacturing, food processing, electric utilities, and petroleum refining. Areawide sources of NOx, which include waste burning and residential fuel combustion, contribute a smaller portion of total NOx emissions.

ROG. Reactive organic gases result primarily from incomplete fuel combustion and the evaporation of chemical solvents and fuels. Stationary sources of ROG include processes that use solvents such as dry cleaning, degreasing, and coating operations. Today mobile sources are the largest ROG emissions category. However, other ROG categories become relatively more important over time. Areawide ROG sources which grow directly with population begin to dominate in the future so that by 2020 consumer products is the largest source category.

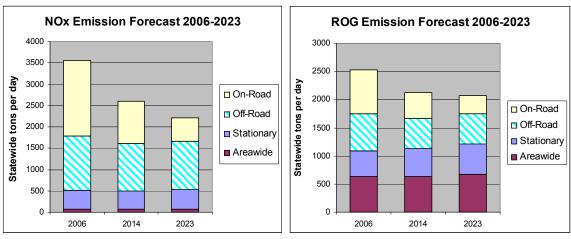
SOx. Sulfur oxide emissions are dominated by the mobile source category of ships and commercial boats. Evaporative losses from petroleum refining (a stationary source) are another significant source of SOx. The other sources that make up 5 percent or more of the SOx inventory are locomotives and mining and cement manufacturing.

Direct PM2.5. Directly emitted PM2.5 comes mainly in the form of smoke, soot, and dust particles. Major sources include managed burning and agricultural burning; dust generated by vehicles traveling on paved and unpaved roads, residential fireplaces, cooking and fuel combustion; and particle emissions from diesel-fueled engines on trucks, ships, and construction equipment. While soot from diesel engines is not a major portion of the entire direct PM2.5 emissions inventory, it is a major health concern, as it is a toxic air contaminant that can cause premature death.

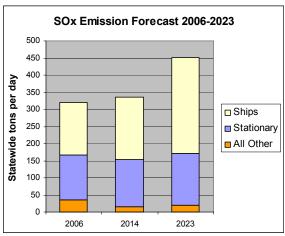
Forecasting Future Emissions

Estimates of projected future emissions depend on two independent variables: growth and control. Different methods are used to estimate the future growth of emission sources based on their type. And future emission controls are incorporated into the projected emissions for each source category based on when the controls are implemented, how much the controls reduce emissions, and how many units (vehicles, consumer products, etc.) are affected.

The charts on the next page show the change in total projected statewide emissions for NOx, ROG, and SOx from 2006 to 2023 and the relative emissions change in each of these emission source categories. It reflects projected growth in each category combined with the benefits of the existing control program (those emission controls adopted prior to 2007). For example, SOx emissions as a category continue to grow due to ship emission increases. This makes ship SOx emissions a high priority for control in the new SIP strategy. NOx and ROG emissions are decreasing as a result of existing control programs despite substantial growth in population, travel, and the economy.



Note: "Off-Road" includes trains, planes, and ships, as well as all other off-road vehicles and equipment.



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Top Emission Sources

While the top emission categories are mobile sources in all California's nonattainment areas, there is variability in the relative contribution of different sources by region. This makes the overall statewide emission reduction strategy more challenging and will affect the priorities of local control plans. For example, controlling the emissions from ocean-going vessels will have a tremendous impact on SOx emissions in the South Coast and therefore is essential to that region's PM2.5 control plan. Reducing SOx from ships has much less consequence in the San Joaquin Valley, so increased NOx reductions from combustion sources will become even more important for the Valley's PM2.5 control strategy. The tables on the next two pages show the top emission sources of both NOx and ROG in the South Coast and the San Joaquin Valley.

Here are some things we have learned by analyzing the emissions inventory for these two areas:

- South Coast NOx emissions are significantly impacted by goods movement, with the ships, trains, trucks, and off-road equipment that move goods contributing about 30 percent of all South Coast NOx emissions. Aircraft NOx emissions are also increasing.
- The impact of goods movement in the San Joaquin Valley is felt mostly by the emissions contribution of heavy-duty trucks, which are projected to remain the largest NOx emitter through 2023.
- Emissions of NOx from manufacturing and industrial sources in the San Joaquin Valley become increasingly significant as emissions from mobile sources decline in the future.
- The large population in the South Coast is the main reason why consumer product emissions are projected to become the number one ROG emissions source by 2014.
- San Joaquin Valley ROG emissions are significantly impacted by agricultural sources such as livestock waste.
- The existing emission control program will cut heavy-duty truck NOx emissions about 70 percent in the San Joaquin Valley and South Coast by 2023, but they need to be cut even more by new strategies to attain ozone and PM2.5 standards.
- Mobile sources under federal jurisdiction (like ships, locomotives, and aircraft)
 contribute an increasingly greater proportion of total emissions, especially NOx, in
 future years as emission increases due to growth overwhelm the existing control
 program, while emissions of mobile sources under State jurisdiction decrease due to
 stringent controls.

South Coast Air Basin – Top Sources of NOx

Summer emissions, tons per day

Source Category	2006	2015	2020
HEAVY DUTY DIESEL TRUCKS	259	129	87
PASSENGER VEHICLES	205	94	65
OFF-ROAD EQUIPMENT (CONSTRUCTION AND MINING)	120	75	51
OFF-ROAD EQUIPMENT (COMMERCIAL, INDUSTRIAL)	87	49	38
SHIPS AND COMMERCIAL BOATS	75	89	104
GASOLINE-FUELED COMMERCIAL TRUCKS	36	23	19
LOCOMOTIVES	31	23	26
RESIDENTIAL FUEL COMBUSTION	18	14	14
MANUFACTURING & INDUSTRIAL (BOILERS, ENGINES)	17	15	15
SERVICE AND COMMERCIAL (BOILERS, ENGINES)	16	11	11
RECREATIONAL BOATS	16	17	18
AIRCRAFT	16	23	27
TOTAL OF TOP CATEGORIES	896	562	475
TOTAL	972	622	530
TOP CATEGORIES PERCENT OF TOTAL	92%	90%	90%

South Coast Air Basin NOx total for 2014 is 650 tons per day.

San Joaquin Valley - Top Sources of NOx

Summer emissions, tons per day

Source Category	2006	2015	2023
HEAVY DUTY DIESEL TRUCKS	285	141	75
FARM EQUIPMENT (COMBINES AND TRACTORS)	60	34	17
PASSENGER VEHICLES	58	28	16
MANUFACTURING & INDUSTRIAL (BOILERS, ENGINES)	39	44	48
OFF-ROAD EQUIPMENT (CONSTRUCTION AND MINING)	35	20	12
OFF-ROAD EQUIPMENT (COMMERCIAL, INDUSTRIAL)	34	21	15
LOCOMOTIVES	22	21	22
AGRICULTURAL IRRIGATION PUMPS	16	5	5
OIL AND GAS PRODUCTION (COMBUSTION) COGENERATION (ELECTRICITY GENERATION AND	11	10	10
HEAT RECOVERY)	9	8	8
GASOLINE-FUELED COMMERCIAL TRUCKS FOOD AND AGRICULTURE (CROP PROCESSING AND	9	7	6
WINERIES)	9	9	9
GLASS AND RELATED PRODUCTS	8	9	11
TOTAL OF TOP CATEGORIES	596	357	254
TOTAL	650	404	300
TOP CATEGORIES PERCENT OF TOTAL	92%	88%	85%

San Joaquin Valley NOx total for 2014 is 426 tons per day.

Note: Emissions do not include impact of State Strategy proposed new measures.

South Coast Air Basin - Top Sources of ROG

Summer emissions, tons per day

Source Category	2006	2015	2020
PASSENGER VEHICLES	207	107	85
CONSUMER PRODUCTS	101	103	107
RECREATIONAL BOATS	64	52	50
OFF-ROAD EQUIPMENT (LAWN AND GARDEN)	52	40	38
ARCHITECTURAL COATINGS (PAINTS AND THINNERS)	31	29	30
OFF-ROAD EQUIPMENT (COMMERCIAL, INDUSTRIAL) PETROLEUM MARKETING (GASOLINE EVAPORATIVE	28	14	12
LOSSES) COATINGS (PAINTS AND THINNERS - NON	27	28	30
ARCHITECTURAL)	27	26	27
GASOLINE-FUELED COMMERCIAL TRUCKS	24	12	10
GAS CANS	21	10	8
OFF-ROAD EQUIPMENT (CONSTRUCTION AND MINING)	20	12	9
TOTAL OF TOP CATEGORIES		433	406
TOTAL	732	559	537
TOP CATEGORIES PERCENT OF TOTAL	82%	77%	76%

South Coast Air Basin ROG total for 2014 is 567 tons per day.

San Joaquin Valley - Top Sources of ROG

Summer emissions, tons per day

Source Category	2006	2015	2023
PASSENGER VEHICLES	62	35	24
WASTE DISPOSAL/COMPOSTING	57	71	80
LIVESTOCK WASTE (DAIRY CATTLE) OIL AND GAS PRODUCTION (EVAPORATIVE	40	33	41
LOSSES/FLARING)	28	25	23
CONSUMER PRODUCTS	24	26	30
PESTICIDES	23	21	21
HEAVY DUTY DIESEL TRUCKS	20	12	8
RECREATIONAL BOATS FOOD AND AGRICULTURE (CROP PROCESSING AND	20	17	17
WINERIES)	13	12	13
ARCHITECTURAL COATINGS (PAINTS AND THINNERS)	11	12	13
OFF-ROAD EQUIPMENT (COMMERCIAL, INDUSTRIAL)	10	5	4
FARM EQUIPMENT (COMBINES AND TRACTORS)	10	5	3
TOTAL OF TOP CATEGORIES	318	274	277
TOTAL	452	406	414
TOP CATEGORIES PERCENT OF TOTAL	70%	67%	67%

San Joaquin Valley ROG total for 2014 is 410 tons per day.

Note: Emissions do not include impact of State Strategy proposed new measures.

Linking Emissions to PM2.5 Levels

Assessing how emissions affect PM2.5 concentrations is more complicated for PM2.5 than it is for ozone. While ozone has just two key precursors, PM2.5 is a complicated mix of particles, some formed in the atmosphere and some directly emitted. PM2.5 can be directly emitted into the air in forms such as dust and soot. PM2.5 is also formed in the atmosphere from the reaction of the precursor gases -- NOx, SOx, ROG, and ammonia. This is called secondary PM2.5.

The main contributors of direct PM2.5 are organic and elemental carbon, emitted from sources like residential wood burning, agricultural burning, and particles emitted from gas and diesel engines. A smaller fraction of organic carbon is secondary PM2.5, formed from organic gases (ROG) evaporated into the air. Dust is also a source of direct PM2.5, but most dust is made up of coarse particles larger than 2.5 microns in diameter, and so dust is a much bigger contributor to the PM10 inventory than the PM2.5 inventory.

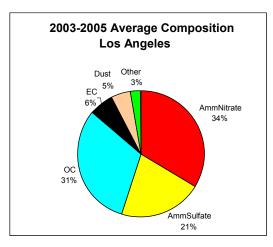
The two main contributors of secondary PM2.5 are ammonium nitrate and ammonium sulfate particles. The main precursor of ammonium sulfate is SOx. The chief precursor of ammonium nitrate is NOx. ROG plays a lesser precursor role in the forming of both these secondary PM2.5 compounds. Mobile sources are the main emitters of these three precursor gases, with ships dominating SOx emissions, and cars, trucks and offroad equipment contributing the largest portion of NOx and ROG emissions.

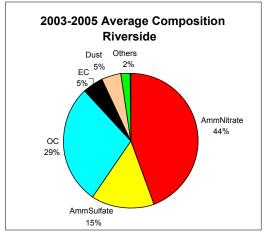
Use of special monitoring and modeling tools are needed to establish which sources and how much of their emissions contribute to PM2.5 levels in a specific area. The charts on the next page show the PM2.5 source contribution measured in two areas of the South Coast air basin and two areas of the San Joaquin Valley air basin. There are several major differences in the PM2.5 contribution between the two air basins. First, there is a higher concentration of ammonium sulfate in the South Coast due to its higher SOx emissions. And second, organic carbon contributes a higher portion of PM2.5 in the San Joaquin Valley.

Within the air basins, there are also some major differences. In the South Coast, there is more ammonium sulfate in Los Angeles and more ammonium nitrate in Riverside. The larger amounts of ammonium sulfate in Los Angeles are likely due to SOx emissions from ships at the coastal ports, while the Riverside site receives an accumulation of NOx from on- and off-road vehicles and equipment and other sources, causing a higher concentration of ammonium nitrate.

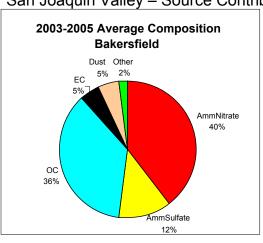
In the San Joaquin Valley, Fresno has a higher concentration of organic carbon and less ammonium nitrate than Bakersfield. A 2000 particulate matter study showed that the difference may be due to the organic carbon from wood smoke in Fresno. The San Joaquin Valley has since adopted rules restricting residential wood burning. Because the PM2.5 problem can have regional as well as localized components, strategies that focus on the major contributors of PM2.5 in specific areas of an air basin may play an important role in meeting the federal standards.

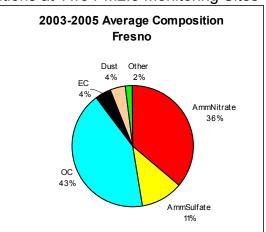
South Coast – Source Contributions at Two Monitoring Sites





San Joaquin Valley – Source Contributions at Two PM2.5 Monitoring Sites





Setting the Emission Reduction Targets

To set ozone emission reduction targets, air quality modeling has been conducted separately for two overarching areas. One area is Northern and Central California, encompassing the San Joaquin and Sacramento Valleys, the Bay Area and the Sierra Nevada Mountains. ARB staff has been doing this modeling. The other area is Southern California, including the South Coast Air Basin, Ventura County, Imperial County, and the Mojave Desert area. The South Coast air district has been doing this modeling.

The South Coast air district has been performing the air quality modeling to set its PM2.5 target.

South Coast Ozone Emission Reduction Targets

South Coast released a draft plan with estimated ozone carrying capacities in October 2006. Since then the District has been refining the inputs to their air quality modeling.

They expect to release an update to their plan, with refined carrying capacities, after this draft of the State Strategy is released.

For ozone the draft modeling and the refined modeling underway both indicate similar large emission reduction targets for NOx and ROG. It appears from the modeling that NOx reductions are more effective at reducing ozone in the long run, although ROG reductions are still needed to maximize progress. ARB has relied on the draft carrying capacities established by the South Coast air district to develop the measures in this SIP. The targets based on the draft carrying capacities are presented below.

Draft South Coast Ozone Emission Reduction Targets

(tons per day)	NOx	ROG
2006 Emissions Inventory	972	732
Carrying Capacity	238	304
Emission Reduction Target	734	428

ARB staff expects that the South Coast will call for more NOx reductions and fewer ROG reductions in the upcoming plan release. This is because the modeling shows that NOx reductions look to be more effective than ROG reductions. It may be appropriate for the District to change the emphasis now, but the relative carrying capacities will need to be revisited in subsequent SIPs to factor in inventory improvement, updated modeling, and control measure development.

South Coast PM2.5 Emission Reduction Targets

As discussed previously, unlike ozone, PM2.5 consists of many different components. These components can vary by location and season, with both local and regional scale contributions. This complexity and variability presents a unique challenge in modeling for attaining the annual standard, and introduces a higher level of uncertainty in the results. In addition, while there is a long history and body of experience for ozone model application, air quality modeling for PM2.5 is relatively more recent, and it has not been applied as extensively. ARB will continue to work with air districts on efforts to refine PM2.5 modeling techniques.

As with ozone, the South Coast included PM2.5 carrying capacities in their October 2006 draft plan and has since been refining them. Based on the draft carrying capacities the PM2.5 reductions targets are presented here.

Draft South Coast PM2.5 Emission Reduction Targets

(tons per day)	NOx	ROG	SOx	Direct PM2.5
2006 Emissions Inventory	972	732	63	100
Carrying Capacity	421	457	19	84
Emission Reduction Target	551	275	44	16

San Joaquin Valley Emission Reduction Targets

ARB staff has been using photochemical models for Northern and Central California developed as part of the multi-million dollar Central California Air Quality Study. This modeling continues to confirm that NOx is the key to long term attainment in the San Joaquin Valley. (This is also true for the Sacramento valley and the rural regions downwind.) ROG looks beneficial especially in the near term for maximum progress and to supplement NOx reduction long term.

The ozone emission reduction targets for San Joaquin Valley are shown in the following table. The ROG carrying capacity is implicit, based on the much larger benefit of NOx reductions demonstrated by the modeling.

San Joaquin Valley Ozone Emission Reduction Targets

(tons per day)	NOx	ROG
2006 Emissions Inventory	650	452
Carrying Capacity	160	345
Emission Reduction Target	490	107

San Joaquin Valley PM2.5 modeling is underway and carrying capacities and emission reduction targets will be developed later in 2007 for a PM2.5 plan that is due to U.S. EPA in April 2008.

3. ARB's 2007 SIP STATE STRATEGY

The State Strategy maps out how to achieve the emission reductions necessary to meet the federal air quality standards. The two main emission reduction components of the State Strategy are the adopted SIP measures and proposed new measures. The adopted SIP measures include those adopted through 2006. Proposed new measures include those to be adopted after 2006.

Responsibility for implementing emission reduction measures is shared between the agencies with primary responsibility for controlling air pollution in California: the Air Resources Board, 35 local air pollution control and air quality management districts, and the U.S. Environmental Protection Agency. However, given the current status of statewide emissions, ARB has the lion's share of responsibility, followed by U.S. EPA. There are very few remaining measures to be carried out at the local level.

Agency Roles in SIP Measure Development

Local Measures

Local air districts are primarily responsible for controlling emissions from stationary and areawide sources (with the exception of consumer products) through rules and

permitting programs. Examples include industrial sources like factories, refineries, and power plants; commercial sources like gas stations, dry cleaners, and paint spray booth operations; residential sources like fireplaces, water heaters, and house paints; and miscellaneous non-mobile sources like emergency generators. Districts also inspect and test fuel vapor recovery systems to check that such systems are operating as certified.

State Measures

ARB is responsible for controlling emissions from mobile sources (except where federal law preempts ARB's authority) and consumer products, developing fuel specifications, establishing gasoline vapor recovery standards and certifying vapor recovery systems, providing technical support to the districts, and overseeing local district compliance with State and federal law. The Department of Pesticide Regulation is responsible for control of agricultural, commercial and structural pesticides, while the Bureau of Automotive Repair runs the State's Smog Check programs to identify and repair polluting cars.

Federal Measures

U.S. EPA has the authority to control emissions from mobile sources, including sources all or partly under exclusive federal jurisdiction (like interstate trucks, some farm and construction equipment, aircraft, marine vessels, and locomotives based in this country). U.S. EPA also has oversight authority for state air programs as they relate to the federal Clean Air Act. International organizations develop standards for aircraft and marine vessels that operate outside the U.S. Federal agencies have the lead role in representing the U.S. in the process of developing international standards.

Impact of Adopted SIP Measures

Many measures already adopted by local, State and federal agencies are currently reducing emissions. Many will do so at an accelerated rate in the future. Some adopted measures are scheduled to go into effect years hence. Adopted SIP measures will have a very significant impact on emissions and air quality between now and the target dates (attainment years) in the areas of the State that do not meet federal ozone and PM2.5 air quality standards.

Adopted SIP measures have been developed over the years through the combined efforts of air pollution regulators – with a foundation of ARB's mobile source and fuels programs, complementary national actions for pollution sources under federal authority, and local air district programs for industrial and commercial sources -- as well as transportation plans that integrate transit and other alternatives to solo vehicle travel. ARB has adopted 46 emission-reducing control measures since the approval of the 1994 1-hour ozone SIP. These measures, shown on the table titled "Air Resources Board SIP Control Measures (1994-2006)", comprise the bulk of the benefits of the adopted measures. We've summarized the highlights below.

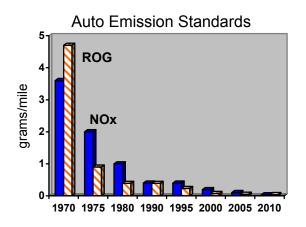
Mobile Sources

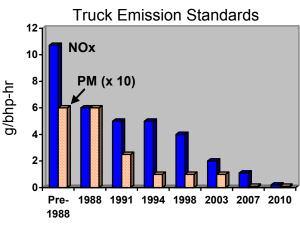
Cleaner Engines and Fuels

More than any other pollution control effort, ARB's mobile source program has moved the State's nonattainment areas closer to meeting federal air quality standards. The mobile sector continues to be the heart of the attainment effort with a new focus on vehicles and equipment already in use – the "legacy" or in-use fleet. California has dramatically tightened emission standards for on-road and off-road mobile sources and the fuels that power them. The chart below and the table on the next page show how dramatically the adopted measures have controlled emissions from new engines for the major categories of mobile sources.

California has led the way in adopting stringent regulations for passenger vehicles. Compared to uncontrolled vehicles, cars are now 99 percent cleaner. A new 1965 car produced about 2,000 pounds of ozone-forming ROG emissions during 100,000 miles of driving. California's low-emission standards, coupled with reformulated gasoline, have cut that to less than 50 pounds for the average new car today. By 2010, California's standards will further reduce ROG emissions from the average new 2010 car to approximately 10 pounds.

ARB's first diesel engine regulations went into effect in 1988. Significant gains began with the introduction of California Clean Diesel fuel in 1993. U.S. EPA and ARB worked together to develop and adopt the next phases of on-road diesel engine control, with cleaner fuel in 2006 and even cleaner engines in 2007 that will reduce per-truck particulate matter emissions by another 90 percent. By 2010, new trucks will be 98 percent cleaner than new pre-1988 models, providing needed NOx reductions.





Working in concert with the U.S. EPA, standards for goods movement sources have also been cut dramatically. By requiring low-sulfur fuel, SOx emissions from ship auxiliary engines will be cut 96 percent by 2010. New locomotive engines are now 50-60 percent cleaner. Harbor craft emission standards were cut roughly in half. And new cargo handling equipment will be 95 percent cleaner by 2011.

Impact of Existing Standards and Emission Limits

Source	Controlled Since	Level of Control*
ON-ROAD		
Passenger Cars	1966	99% in 2006 (ROG + NOx)
Trucks and Buses	1988	90% by 2007, 98% by 2010 (NOx) 98% by 2007 (PM)
Motorcycles	1975	88% by 2008 (ROG + NOx)
GOODS MOVEMENT		
Ship Auxiliary Engines (fuel)	2000	96% (SOx), 83% (PM) by 2010
Locomotives	1973	60% in 2005 (ROG+NOx)
Harbor Craft		50% in 2004 (NOx)
Cargo Handling Equipment		95% by 2011-2012 (ROG+NOx, PM)
OFF-ROAD SOURCES		
Large Off-Road Equipment	1996	98% by 2015 (ROG + NOx)
Personal Water Craft	1990	88% by 2010 (ROG)
Recreational Boats	1990	89% by 2010 (ROG)
Lawn & Garden Equipment	1990	82-90% by 2010 (ROG)
AREAWIDE SOURCES		
Consumer Products	1989	50 categories controlled 50% (ROG)

^{*} Level of emissions control compared to uncontrolled source.

California has also drastically lowered standards for off-road sources, from lawn and garden equipment, to recreational vehicles and boats, to construction equipment and other large off-road sources. From 2010 through 2014, these new off-road sources will be manufactured with 80-98 percent fewer emissions than their uncontrolled counterparts.

ARB has worked closely with U.S. EPA to regulate large diesel, gasoline and liquid petroleum gas equipment – where authority is split between California and the federal government – and by 2014, new large off-road equipment will be 98 percent cleaner. ARB has also made great strides in reducing emissions from the smaller engines under State control, from lawn and garden equipment, to recreational vehicles and boats. From 2010 to 2015, these new off-road sources will be manufactured with 82-90 percent fewer emissions than their uncontrolled counterparts

Cleaning Up the In-Use Fleet

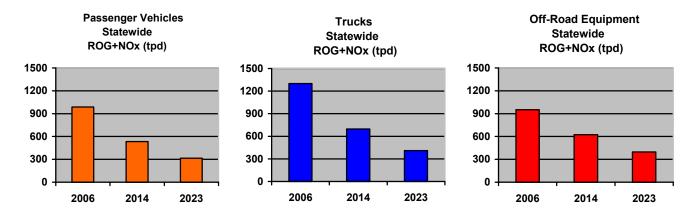
As new engines have become cleaner, the emissions contribution from older vehicles has been growing to the extent that it will soon make up the majority of mobile source emissions. Thus California's emission control program has also had to focus on cleaning up those vehicles and equipment already in use – the "in-use fleet." The adopted measures have made significant strides in reducing emissions from those mobile sources already in use by keeping existing vehicles cleaner longer, getting cleaner technology on older vehicles and equipment, and replacing older dirtier vehicles

and equipment with cleaner ones. Whereas new engine emissions have been regulated for a long time, most of the in-use control programs have just begun to evolve and have an impact. We still have a lot of work to do to clean up the in-use fleet. That is why the majority of new measures in the State Strategy are in-use measures.

Many programs and rules are currently in place that reduce emissions from the in-use fleet. California's Smog Check Program is the cornerstone of the passenger vehicle in-use strategy, keeping over 400 tons of smog-forming gases from entering the air statewide each day. Passenger vehicles are also required to have software incorporated into their on-board computers to detect emission control system malfunctions as they occur. ARB's heavy-duty vehicle inspection program and periodic smoke inspection program reduce emissions from the in-use truck fleet. Trucks will also be required to have the same emission control malfunction detection software as passenger vehicles beginning in 2013.

ARB has adopted 20 in-use regulations in the last five years. In-use regulations have required use of cleaner fuels, greatly reducing emissions from ships and harbor craft. Excessive truck and bus idling has been restricted. ARB has adopted public and private fleet rules that require local governments and private companies to incorporate the cleanest vehicles and equipment into their fleets. In-use testing procedures and verification requirements for in-use emission control technology have been strengthened. And other operational and emission control technology requirements that help reduce emissions from existing vehicle and equipment have been put into place.

Incentive programs have worked hand-in-hand with in-use regulations, providing added emissions benefits. California is currently investing up to \$140 million per year to clean up older, higher-emitting sources through the Carl Moyer Program. The Smog Check Breathe Easier Campaign pays motorists \$1,000 to permanently retire their high-polluting vehicles. And local governments use special vehicle registration fees to fund projects that further reduce emissions from motor vehicles.

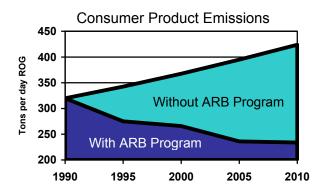


The charts above clearly illustrate the benefits of adopted SIP measures to reduce emissions from mobile sources. The progress has been dramatic. But because on-road and off-road mobile sources together account for so much of the State's inventory of ozone

and PM2.5 forming emissions, further reductions in mobile source emissions are essential if air quality standards are to be realized.

Consumer Products

ARB has adopted standards to limit emissions from nearly 50 consumer product categories (such as hair sprays, deodorants, and cleaning compounds), as well as over 35 architectural coatings and aerosol paints categories. The Board has adopted and implemented voluntary provisions to offer greater compliance flexibility to consumer



product manufacturers while retaining the air quality benefits. Without these actions, ROG emissions from these products would be roughly 60 percent greater in 2010. But, as you can see from the above chart, the impact of population growth begins to counter the benefits of adopted measures – more controls are needed.

Air Resources Board SIP Control Measures (1994-2006)

Air Resources Board Action	Date	Air Resources Board Action	Date
In-Use Diesel Agricultural Engine	2006	California ZEV Requirement Update	2003
Requirements	2000	Camerina 221 Requirement opacie	2000
Consumer Product Lower Emission	2006	Heavy-Duty Gas Truck Emission	2002
Limits	0000	Standards	0004
Zero Emission Bus Rule Amendments	2006	Heavy-Duty Diesel Truck Emission Standards	2001
Off-Highway Recreational Vehicle Regulation Amendments	2006	Inboard and Sterndrive Marine Engine Emission Standards	2001
Forklifts and Other Spark-Ignition Equipment Regulation	2006	Architectural Coatings Suggested Control Measure	2000
Border Truck Inspection Program Protocol Improvements	2006	Urban Transit Bus Fleet Rule	2000
Ship Auxiliary Engine Cleaner Fuel Requirements	2005	Off-Road Diesel Equipment Emission Standards	2000
Diesel Cargo Handling Equipment Rule	2005	Reformulated Gas MTBE Phase Out	1999
Public and Utility Diesel Truck Fleet Rule	2005	Consumer Product Emission Limits	1999
Heavy-Duty Sleeper Truck Idling Limits	2005	Portable Fuel Can Regulation	1999
Portable Fuel Container	2005	Marine Pleasurecraft Emission Standards	1998
Requirements Transit Bus Rule Additions		Low-Emission Vehicle Program (LEV II)	1998
0" D 1 D 1 T 1	0004	Exhaust Emission Standards	1000
Off-Road Diesel Engine Tier 4 Standards	2004	Large Off-Road Gas/LPG Engine Emission Standards	1998
Harbor Craft and Locomotive Clean Diesel Fuel Requirement	2004	Cleaner Burning Gasoline Rule Improvements	1998
Idling Limits for Trucks	2004	On-Road Heavy-Duty Truck Exhaust Emission Standards	1998
Consumer Products Rule	2004	Light-Duty Vehicle Off-Cycle Emission Controls	1997
Chip Reflash Program to Detect Truck Emission Control System Malfunctions	2004	Consumer Product Emission Limits	1997
Transportation Refrigeration Unit Rule	2004	Locomotive Memorandum of Agreement for the South Coast	1997
Portable Diesel Engine Emission Standards	2004	Medium- and Heavy-Duty Gas Truck Emission Standards	1995
Stationary Diesel Engine Regulation	2004	Aerosol Coatings Regulation	1995
Solid Waste Collection Vehicle Regulation	2003	Large Off-Road Diesel Statement of Principles	1996
Lawn and Garden Equipment Emission Standards	2003	Medium- and Heavy-Duty Gasoline Trucks	1995
Low Sulfur Diesel Fuel Regulation	2003	Off-Road Recreational Vehicles	1994

Local Rules and Programs

Stationary and Area Sources

Local air districts are primarily responsible for controlling emissions from stationary and areawide sources, with the exception of consumer products, through regulations and permits. Stationary sources include industrial sources like factories and power plants, commercial sources like gas stations and dry cleaners, and residential sources such as fireplaces and water heaters. Areawide sources are diffuse sources of emissions that are spread over a wide area, such as paints and pesticides.

Local air districts help reduce emissions through limits on emissions from new sources (the New Source Review program) and technology-based requirements for existing sources, called Best Available Retrofit Control Technology and Reasonably Available Control Technology requirements. Air districts adopt and enforce rules governing these sources of emissions.

Businesses in California are subject to the most stringent air quality rules in the country. Local air districts have adopted a number of innovative rules and programs over the years to help reduce emissions. For example, South Coast's innovative program, RECLAIM, provides market incentives for companies to use the cleanest possible technologies. And the San Joaquin Valley has adopted a first-of-its-kind indirect source rule that ensures that new developments bear their fair share of the pollution burden. ARB has suggested over 50 control strategies for stationary sources that many local air districts have adopted.

The proposed local air district measures for each nonattainment area are listed, described, and quantified in the attainment plans for each area. The local measures, coupled with the State Strategy measures, must provide the necessary emission reductions to meet the federal standards.

Transportation and Land Use Planning

In California, local governments are responsible for transportation and land use planning, and transportation plans are an important part of the SIP. Federal law requires a metropolitan region's transportation plan to be complementary to and conform with the region's air quality plan. Transportation and land use strategies can help to reduce the rate of growth in vehicle travel and traffic congestion, which helps reduce the growth in vehicle emissions. All the major metropolitan regions in California have approved plans emphasizing land use strategies that complement their transit and transportation systems and bring more people closer to more destinations. These strategies will help curb emissions by reducing trip distances and increasing use of public transit, carpooling, walking, and biking.

ARB's Proposed New SIP Measures

If emission reductions from the adopted measures are not enough to attain the federal standards, sufficient emission reductions from new strategies must be achieved in order to meet the emission reduction target. The State Strategy's new measures are divided into the following main categories:

New Measure Main Categories

- On-Road Sources
 - Passenger Vehicles
 - Trucks
- Goods Movement Sources
- Off-Road Sources
 - Construction and Other Large Equipment
 - Agricultural Equipment
 - Other Off-Road Sources
- Areawide Sources
 - Consumer Products
 - Pesticides

ARB staff is proposing a comprehensive and far reaching set of new measures to achieve emission reductions needed to address California's most challenging ozone and PM2.5 problems. These measures are designed to make maximum progress toward the federal 8-hour ozone standard in the South Coast and the San Joaquin Valley. The measures include aggressive near-term NOx and SOx emission reduction goals, reflecting the nature and scope of the PM2.5 problem in these regions. To achieve the emission reductions needed for both ozone and PM2.5, the State Strategy proposes new near-term actions that can be completed by 2010 or soon thereafter.

As mentioned in the previous section, the majority of mobile source emissions will soon be from older vehicles and equipment, and therefore most of the proposed new measures in the State Strategy are measures to help clean up or replace older, dirtier vehicles and equipment for which implementation will extend past 2010 and through 2014. Longer-term actions after 2014 will center on the final increment needed to attain the standard in the areas with the worst ozone pollution.

The following is a brief summary of the State Strategy for each of the four main sectors. A description of each individual proposed measure can be found in Chapter 4.

On-Road Sources

California has a long history of success in cleaning up the motor vehicle fleet, particularly through new vehicle standards, as the previous section on adopted SIP measures illustrated. Overall emissions have declined despite rapid growth in vehicle miles traveled due to newer, cleaner vehicles replacing older, dirtier ones. To meet attainment deadlines, however, it's necessary to increase the portion of newer, cleaner

vehicles in the fleet while at the same time reducing emissions from existing vehicles. The new measures for on-road mobile sources serve these two essential objectives.

Passenger Vehicles

California's passenger vehicle emissions standards have done their job to cut emissions to near-zero levels, so the control focus must shift to keeping vehicles clean over their lifetimes. The Smog Check program is the cornerstone of this strategy, currently keeping over 400 tons of ROG+NOx statewide from entering the air each day. The State Strategy envisions an even stronger Smog Check program that would reduce an additional 45 tons per day of emissions statewide in 2014. Proposed new Smog Check measures include annual inspections for cars with high failure rates, such as vehicles over 15 years old and vehicles accumulating high annual miles of travel, and adding inspections of motorcycles and smaller diesel vehicles. More attention will be paid to evaporative emissions through the addition of a low-pressure evaporative test, even as exhaust emission cutpoints are tightened.

The State Strategy proposes to increase the number of vehicles that are voluntarily retired by implementing a scrappage program for vehicles that are off cycle from their Smog Check inspections. This strategy will depend upon funding and would be targeted primarily in the South Coast and San Joaquin Valley. We will also continue to ensure that the fuels used in California are the cleanest-burning available, and mitigate the additional evaporative emissions resulting from the addition of ethanol to gasoline.

These proposed passenger vehicle measures would reduce total NOx and ROG emissions in the South Coast by about 31 tons per day in 2014 and over 22 tons in 2020. Likewise, this measure will reduce total NOx and ROG emissons in the San Joaquin Valley by over 10 tons in 2014 and about 7 tons in 2020.

Trucks

Over the past decade ARB has adopted regulations to make new trucks cleaner, require software upgrades, restrict idling and inspect for smoke emissions. Substantially reducing emissions from existing trucks is key to meeting federal air quality standards, as well as achieving diesel risk reduction and goods movement clean air goals. The State Strategy foresees an expansive in-use diesel truck emission reduction program that would reduce NOx emissions by 47 tons per day in the South Coast and 61 tons per day in the San Joaquin Valley. Direct PM2.5 emissions would also be reduced 2-3 tons per day in both the South Coast and San Joaquin Valley during the same time period.

A comprehensive fleet modernization program from 2010 to 2014 would replace older trucks, repower trucks with cleaner engines, and retrofit trucks with devices to reduce both NOx and PM. The proposed modernization program would be equivalent to replacing approximately 30 percent of the oldest trucks by 2014 with 2010 model year or newer trucks, and will be accomplished through private truck fleet regulations. It is envisioned that the use of public incentive funds will be needed as well to facilitate fleet

modernization on the scale necessary to attain PM2.5 and ozone standards within SIP deadlines.

The in-use diesel truck program also proposes to reduce emissions from trucks registered outside of California and to lessen the effects of emission control deterioration.

Goods Movement Sources

The goods movement sector includes the ships, trains, trucks, and related sources that help move materials and goods from the grower or manufacturer to the consumer. The air quality impact of the goods movement sector is a major issue in areas that host ports, large rail facilities, and major truck routes. Many entities have developed or are developing plans to address the impacts of goods movement, including the California Environmental Protection Agency and the Business, Transportation & Housing Agency, the Air Resources Board, the South Coast Air Quality Management District, several California ports, and two major railroads.

Two factors increase the importance of addressing emissions from goods movement sources. First, international trade through California's ports is growing rapidly: the volume of goods moving through the Port of Los Angeles and the Port of Long Beach – the nation's busiest port complex – is expected to more than double by 2020. Second, the most prominent sources in this sector have historically not been regulated as aggressively as stationary sources or other mobile sources. Goods movement sources are also powered by diesel engines that last longer than their gasoline-powered counterparts, and are often rebuilt before being replaced with newer, cleaner equipment. As a result new engine standards alone will not provide emission reductions in the timeframe allowed to attain the federal PM2.5 and ozone standards.

New measures in the State Strategy focus on the following goods movement sources: ships, locomotives, harbor craft, and port trucks. They closely mirror the measures included in Emission Reduction Plan for Ports and Goods Movement in California, approved by ARB in April 2006, and summarized briefly in Chapter 1. It is estimated that these measures will reduce 20 tons per day of SOx, 49 tons per day of NOx, and about 4 tons per day of direct PM2.5 in the South Coast by 2014.

Ships. Emissions from ocean-going vessels, unlike trucks, are not projected to decrease in future years, since ships have little or no emission controls and run on high emitting bunker fuel, and shipments of cargo containers are projected to grow significantly over the next two decades. Ships currently emit half the statewide SOx emissions, and it is estimated that ships will jump from the sixth to the second highest statewide NOx producer by 2023. It is essential to reduce ship emissions as they are entering our ports and when they are docked through application of demonstrated control technologies, use of cleaner fuels, and operational efficiencies. In December 2005, ARB adopted a rule phasing in the use of cleaner low-sulfur fuel in ship auxiliary engines that will reduce SOx emissions from auxiliary engines by 96 percent and PM2.5 emissions by 83 percent. The State Strategy proposes a combination of measures to further reduce emissions from auxiliary and main ship engines that would reduce

SOx emissions 20 tons per day and NOx by almost 40 tons per day in the South Coast by 2014. It would also reduce PM2.5 emissions from ships by 3 tons per day. Since ARB does not have authority to set ship emission standards, we must work with national and international authorities, as well as the ports, to implement many of the control measures.

Harbor craft. Standards adopted by U.S. EPA provide for new harbor craft engines that have roughly 50 percent less NOx emissions than uncontrolled engines. The State Strategy proposes a new measure requiring harbor craft owners to replace older engines with the newer, cleaner engines and/or add control technologies that reduce emissions, reducing NOx emissions in the South Coast about 5 tons per day by 2014.

Locomotives. The State Strategy calls for replacing existing locomotive engines with engines meeting expected new U.S. EPA Tier 3 standards beginning in 2012, which could reduce NOx emissions by 13-16 tons per day in the South Coast and San Joaquin Valley by 2020. ARB is pushing U.S. EPA to adopt the most stringent standards possible with early implementation, as this measure can only occur once U.S. EPA adopts new locomotive standards.

Port trucks. Most port trucks start out as long-haul trucks and then are put into short-haul use as they get older and are no longer reliable enough for long-haul service. Because port trucks are purchased used, emission standards for new trucks will reduce emissions from trucks servicing the ports later than they will impact the long-haul fleet. The State Strategy proposes a port truck modernization program that would phase in beginning in 2008 and would include replacing older trucks with newer, cleaner trucks and retrofitting engines with emission-reducing control technology, reducing South Coast NOx emissions 2 tons per day by 2014 and 8 tons per day by 2020.

Off-Road Sources

Off-road mobile sources are comprised of a broad range of equipment and vehicle types – from jet skis and all-terrain vehicles to very large construction equipment. Historically, off-road mobile sources have not been as tightly regulated for emission reductions as cars and trucks. In addition, the number of these sources has been increasing steadily as a result of economic growth and increased leisure time. This growth produces an emissions trend that has been increasing, a trend that runs counter to the steady and dramatic decrease in the overall emissions inventory.

There are also a number of source categories related to off-road vehicles that fall outside the usual list of off-road vehicle categories. The categories include refueling tanks, portable fuel tanks, and gas station fueling hoses where emissions are the result of evaporation or permeation of ROG from gasoline.

Off-road sources will soon be the dominant part of the statewide emissions inventory unless emission control technology used in on-road vehicles is successfully transferred to off-road vehicles and equipment and older equipment is replaced with newer, cleaner

models. Emissions from off-road sources can be split into two types, exhaust and evaporation, and the State Strategy addresses both.

ARB staff estimates that the combination of exhaust and evaporative standards for these sources would reduce NOx emissions about 14 tons per day and ROG emissions about 19 tons per day in the South Coast and about 5 tons per day of both ROG and NOx in the San Joaquin Valley by 2014.

<u>Off-Road Equipment – Exhaust Emission Strategies</u>

The success with achieving ultra-low emission levels in cars and trucks provides optimism and expectations that comparable, very low emission levels can also be achieved in off-road sources. The proposed measures focus on applying increasingly more stringent exhaust standards to the various source categories as on-road emission control technologies are successfully demonstrated under off-road conditions. Setting more stringent standards for new equipment is only part of the story. As long as older, uncontrolled sources remain in use, their emissions will continue and become a disproportionately large part of total emissions. The more ambitious proposals are structured to accelerate the replacement of the older equipment with newer, cleaner models.

Diesel construction equipment and other large diesel equipment used in mining, industrial, and oil drilling operations is the largest statewide source of off-road emissions after ocean-going ships. In the San Joaquin Valley, with its large agricultural economy, emissions from equipment used in agricultural operations are significant. Emission standards for new off-road diesel engines have become increasingly more stringent over the past decade, but this equipment often remains in use for long periods of time, sometimes up to 60 years. This long life means that new, lower emission engines are introduced into fleets relatively slowly with the result that the emission reductions will also be slow to materialize.

Construction, Mining, and Industrial Equipment. The State Strategy would help reduce emissions from the in-use fleet by requiring equipment owners to meet a stringent average emissions level across all of their equipment while providing compliance flexibility, and reducing almost 14 tons per day of NOx and 3 tons per day of direct PM2.5 in the South Coast and nearly 5 tons per day of NOx in the San Joaquin Valley by 2014.

Agricultural Equipment. The State Strategy will assess an equipment modernization program once modeling for the San Joaquin Valley's PM2.5 SIP shows to what extent accelerated fleet modernization may be needed.

Other Off-Road Sources – Evaporative Emission Strategies

For many gasoline-fueled off-road sources, evaporative emissions are a significant portion of total emissions. Leaky hoses, tanks, and other parts of an engine's fuel system and refueling infrastructure release hundreds of tons of ROG into the atmosphere a day. Success with low- to no-evaporative emission technology in on-road

sources supports strategies to reduce evaporative emissions to similar low levels in offroad sources. Many newly-regulated sources have exhaust standards but do yet have evaporative standards. The State Strategy proposes to set standards where there are none and make standards more stringent in sources that are not adequately controlled.

Off-road sources used mainly for recreational purposes are large emission contributors, especially during the summer ozone season. The main focus of the State Strategy on this wide array of smaller off-road sources is evaporative emissions. Recreational marine boat engines and off-road recreational vehicles are the biggest targets, with standards being implemented by 2010 and ROG emission reductions growing through 2023 as these newer, cleaner engines become a bigger part of the overall recreational fleet. Refueling tanks, portable fuel tanks, and gas station fueling hoses, where emissions are the result of evaporation or permeation of ROG from gasoline, are also targeted. The proposed measures covering these off-road sources would reduce a combined 17 tons per day of ROG in the South Coast and almost 5 tons per day in the San Joaquin Valley by 2014.

Areawide Sources

Consumer Products

Chemically formulated consumer products such as automotive care products, household care products, and personal care products have been regulated as a source of ROG emissions in five rulemakings since 1989. As a result of these measures, statewide emissions from consumer products will be reduced by over 170 tons per day in 2010, a 40 percent reduction. Despite this progress, population growth in the years ahead is expected to reverse the downward trend of emissions from consumer products, after the latest standards become effective. Therefore, additional controls for this sector will remain important. Indeed, consumer products are expected to become the largest source of ROG emissions in the South Coast, and the third largest source in the San Joaquin Valley by 2020.

The State Strategy will continue ARB's commitment to reduce ROG emissions from consumer products. Rulemakings are expected to be promulgated between 2007 and 2012, expanding beyond the current category-by-category standards and pursuing innovative approaches, reducing ROG emissions about 13 tons in the South Coast and almost 4 tons per day in the San Joaquin Valley.

Pesticides

Pesticide emissions from agricultural and commercial uses fall under the Department of Pesticide Regulation's (DPR) authority. A measure to reduce pesticide emissions is already included in the SIP adopted in 1994. Over the last several years, DPR has worked to ensure compliance with that measure. The State Strategy includes the current results of that effort: DPR's 2008 Pesticide Plan. It is a strategy to reduce ROG emissions from pesticides through regulations that prohibit high emission practices and by requiring products that contribute less to ozone formation.

Local Measures

The proposed new local air district measures, coupled with the new State Strategy measures, must provide the necessary emission reductions to meet the federal standards. The new local measures for each nonattainment area are listed, described, and quantified in the attainment plans for each area.

Impact of Proposed New SIP Measures

The tables on the next five pages show the expected emission reductions from the proposed new SIP measures in the South Coast and San Joaquin Valley in both 2014 and 2020. The first table shows the expected NOx and ROG emission reductions for South Coast and San Joaquin Valley for 2023 – the year in which the emission reduction target must be met for the expected ozone attainment date of 2024 for these regions.

The table on Page 64 lists for each proposed new measure the agencies responsible for implementation, the expected dates of rulemaking or promulgating action, and the expected dates of measure implementation.

South Coast and San Joaquin Valley - 2023

	South Coast			oaquin Iley
Proposed New SIP Measures	NOx	ROG	NOx	ROG
ON-ROAD SOURCES				
Passenger Vehicles	7.1	10.5	2.1	3.3
Smog Check Improvements (BAR)	6.9	7.5	2.1	1.9
Expanded Vehicle Retirement	0.2	0.5	0.0	0.1
Modifications to Reformulated Gasoline Program		2.5		1.3
Trucks	18.3	1.7	21.2	1.7
Cleaner In-Use Heavy-Duty Trucks	18.3	1.7	21.2	1.7
GOODS MOVEMENT SOURCES	99.2	2.5	16.4	1.3
Auxiliary Ship Engine Emission Reductions	30.8			
Cleaner Main Ship Engines and Fuel	39.9			
Port Truck Modernization	7.0			
Accelerated Introduction of Cleaner Line-Haul	15.6	1.9	16.4	1.3
Locomotives*			10.1	1.0
Clean Up Existing Harbor Craft	5.9	0.6		
OFF-ROAD SOURCES				
Off-Road Equipment	12.2	2.0	4.7	0.8
Cleaner In-Use Off-Road Equipment (over 25hp)	12.2	2.0	4.7	0.8
Agricultural Equipment	NYQ	NYQ	NYQ	NYQ
				-
Other Off-Road Sources	2.4	42.9	0.6	11.8
New Emission Standards for Recreational Boats	2.4	17.7	0.6	5.3
Expanded Off-Road Rec. Vehicle Emissions Standards		17.4		4.8
Portable Outboard Marine Tank Evaporative Standards		4.0		0.7
Refueling Gas Storage Tank Evaporative Standards		2.1		0.7
Gas Station Fueling Hose Evaporative Standards		1.7		0.3
Above Ground Storage Tanks Enhanced Vapor Recovery		NYQ		NYQ
AREAWIDE SOURCES				
Consumer Products		13.7		3.8
Consumer Products Program		13.7		3.8
Pesticides		NYQ		NYQ
DPR 2008 Pesticide Plan				
Total Emission Reductions from Proposed New SIP Measures	139	73	45	23

NYQ = Not Yet Quantified. BAR = Bureau of Automotive Repair. DPR = Department of Pesticide Regulation.

January 31, 2007

^{*} Locomotive measure relies on U.S. EPA rulemaking and industry agreement to accelerate fleet turnover. Note: Emission reductions reflect the combination impact of regulations and supportive incentive programs.

South Coast -- 2014

Proposed New SIP Measures	NOx	ROG	PM2.5	SOx
ON-ROAD SOURCES				
Passenger Vehicles	14.4	17.7	0.2	
Smog Check Improvements (BAR)	12.0	10.5	0.2	
Expanded Vehicle Retirement	2.4	2.8	0.05	
Modifications to Reformulated Gasoline Program		4.4		
Trucks	47.3	5.1	3.0	
Cleaner In-Use Heavy-Duty Trucks	47.3	5.1	3.0	
GOODS MOVEMENT SOURCES	49.4	1.2	3.6	20.3
Auxiliary Ship Engine Cold Ironing and Other Clean Technology	18.5		0.3	0.4
Cleaner Main Ship Engines and Fuel	20.0		2.4	19.7
Port Truck Modernization	2.0		0.5	
Accelerated Introduction of Cleaner Line-Haul Locomotives*	4.3	0.7	0.2	
Clean Up Existing Harbor Craft	4.6	0.5	0.2	
OFF-ROAD SOURCES				
Off-Road Equipment	13.8	2.2	2.5	
Cleaner In-Use Off-Road Equipment (over 25hp)	13.8	2.2	2.5	
Agricultural Equipment	NYQ	NYQ	NYQ	0
Other Off-Road Sources	0.4	16.9		
New Emission Standards for Recreational Boats	0.4	4.2		
Expanded Off-Road Recreational Vehicle Emission Standards		7.8		
Portable Outboard Marine Tank Evaporative Standards		1.8		
Refueling Gasoline Storage Tank Evaporative Standards		1.6		
Gas Station Fueling Hose Evaporative Standards		1.5		
Enhanced Vapor Recovery for Above Ground Storage Tanks		NYQ		
AREAWIDE SOURCES				
Consumer Products		12.9		
Consumer Products Program		12.9		
Pesticides		NYQ		
DPR 2008 Pesticide Plan				
Total Emission Reductions from Proposed New Measures	125	55	9	20

NYQ = Not Yet Quantified. BAR = Bureau of Automotive Repair. DPR = Department of Pesticide Regulation * Locomotive measure relies on U.S. EPA rulemaking and industry agreement to accelerate fleet turnover. Note: Emission reductions reflect the combination impact of regulations and supportive incentive programs.

South Coast -- 2020

Proposed New SIP Measures	NOx	ROG	PM2.5	SOx
ON-ROAD SOURCES		-		
Passenger Vehicles	9.6	12.9	0.3	
Smog Check Improvements (BAR)	8.3	8.7	0.2	
Expanded Vehicle Retirement	1.3	1.2	0.06	
Modifications to Reformulated Gasoline Program		3.0		
Trucks	26.9	2.6	1.5	
Cleaner In-Use Heavy-Duty Trucks	26.9	2.6	1.5	
GOODS MOVEMENT SOURCES	87.1	2.3	4.3	26.1
Auxiliary Ship Engine Cold Ironing and Other Clean Technology	28.3		0.4	0.7
Cleaner Main Ship Engines and Fuel	32.3		3.1	25.4
Port Truck Modernization	8.0		0.3	
Accelerated Introduction of Cleaner Line-Haul Locomotives*	13.4	1.8	0.3	
Clean Up Existing Harbor Craft	5.1	0.5	0.2	
OFF-ROAD SOURCES				
Off-Road Equipment	13.2	2.1	1.7	
Cleaner In-Use Off-Road Equipment (over 25hp)	13.2	2.1	1.7	
Agricultural Equipment	NYQ	NYQ	NYQ	0
Other Off-Road Sources	1.6	33.7		
New Emission Standards for Recreational Boats	1.6	12.8		
Expanded Off-Road Recreational Vehicle Emission Standards		14.5		
Portable Outboard Marine Tank Evaporative Standards		2.9		
Refueling Gasoline Storage Tank Evaporative Standards		1.9		
Gas Station Fueling Hose Evaporative Standards		1.6		
Enhanced Vapor Recovery for Above Ground Storage Tanks		NYQ		
AREAWIDE SOURCES				
Consumer Products		13.5		
Consumer Products Program		13.5		
Pesticides		NYQ		
DPR 2008 Pesticide Plan				
Total Emission Reductions from Proposed New Measures	138	67	8	26

NYQ = Not Yet Quantified. BAR = Bureau of Automotive Repair. DPR = Department of Pesticide Regulation * Locomotive measure relies on U.S. EPA rulemaking and industry agreement to accelerate fleet turnover. Note: Emission reductions reflect the combination impact of regulations and supportive incentive programs.

San Joaquin Valley - 2014

Proposed New SIP Measures	NOx	ROG	PM2.5	SOx
ON-ROAD SOURCES				
Passenger Vehicles	3.8	6.5	0.06	
Smog Check Improvements (BAR)	3.3	2.9	0.05	
Expanded Vehicle Retirement	0.5	0.7	0.01	
Modifications to Reformulated Gasoline Program		2.9		
Trucks	61.4	6.4	3.6	
Cleaner In-Use Heavy-Duty Trucks	61.4	6.4	3.6	
GOODS MOVEMENT SOURCES	7.2	0.5	0.18	
Auxiliary Ship Engine Cold Ironing and Other Clean Technology				
Cleaner Main Ship Engines and Fuel				
Port Truck Modernization				
Accelerated Introduction of Cleaner Line-Haul Locomotives*	7.2	0.5	0.18	
Clean Up Existing Harbor Craft				
OFF-ROAD SOURCES				
Off-Road Equipment	4.8	0.8	0.8	
Cleaner In-Use Off-Road Equipment (over 25hp)	4.8	0.8	8.0	
Agricultural Equipment	NYQ	NYQ	NYQ	0
Other Off-Road Sources	0.1	4.5		
New Emission Standards for Recreational Boats	0.1	1.2		
Expanded Off-Road Recreational Vehicle Emission Standards		2.2		
Portable Outboard Marine Tank Evaporative Standards		0.4		
Refueling Gasoline Storage Tank Evaporative Standards		0.5		
Gas Station Fueling Hose Evaporative Standards		0.2		
Enhanced Vapor Recovery for Above Ground Storage Tanks		NYQ		
AREAWIDE SOURCES				
Consumer Products		3.2		
Consumer Products Program		3.2		
Pesticides		NYQ		
DPR 2008 Pesticide Plan				
Total Emission Reductions from Proposed New Measures	77	22	5	0

NYQ = Not Yet Quantified. BAR = Bureau of Automotive Repair. DPR = Department of Pesticide Regulation

Note: Emission reductions reflect the combination impact of regulations and supportive incentive programs.

^{*} Locomotive measure relies on U.S. EPA rulemaking and industry agreement to accelerate fleet turnover.

San Joaquin Valley - 2020

Proposed New SIP Measures	NOx	ROG	PM2.5	SOx
ON-ROAD SOURCES				
Passenger Vehicles	2.7	4.1	0.06	
Smog Check Improvements (BAR)	2.4	2.2	0.05	
Expanded Vehicle Retirement	0.3	0.3	0.01	
Modifications to Reformulated Gasoline Program		1.6		
Trucks	30.2	3.3	1.6	
Cleaner In-Use Heavy-Duty Trucks	30.2	3.3	1.6	
GOODS MOVEMENT SOURCES	15.6	1.2	0.42	
Auxiliary Ship Engine Cold Ironing and Other Clean Technology				
Cleaner Main Ship Engines and Fuel				
Port Truck Modernization				
Accelerated Introduction of Cleaner Line-Haul Locomotives*	15.6	1.2	0.42	
Clean Up Existing Harbor Craft				
OFF-ROAD SOURCES				
Off-Road Equipment	4.9	0.8	0.6	
Cleaner In-Use Off-Road Equipment (over 25hp)	4.9	0.8	0.6	
Agricultural Equipment	NYQ	NYQ	NYQ	0
Other Off-Road Sources	0.4	9.2		
New Emission Standards for Recreational Boats	0.4	3.8		
Expanded Off-Road Recreational Vehicle Emission Standards		4.0		
Portable Outboard Marine Tank Evaporative Standards		0.5		
Refueling Gasoline Storage Tank Evaporative Standards		0.7		
Gas Station Fueling Hose Evaporative Standards		0.2		
Enhanced Vapor Recovery for Above Ground Storage Tanks		NYQ		
AREAWIDE SOURCES				
Consumer Products		3.6		
Consumer Products Program		3.6		
Pesticides		NYQ		
DPR 2008 Pesticide Plan				
Total Emission Reductions from Proposed New Measures	54	22	3	0

NYQ = Not Yet Quantified. BAR = Bureau of Automotive Repair. DPR = Department of Pesticide Regulation * Locomotive measure relies on U.S. EPA rulemaking and industry agreement to accelerate fleet turnover. Note: Emission reductions reflect the combination impact of regulations and supportive incentive programs.

State Strategy Proposed New SIP Measures Implementing Agency – Expected Action – Expected Implementation

Proposed New SIP Measures	Implementing Agency	Expected Action	Expected Implemen- tation
ON-ROAD SOURCES			
Passenger Vehicles			
Smog Check Improvements	BAR	2007-2008	By 2010
Expanded Vehicle Retirement	ARB/BAR	2010	2010
Modifications to Reformulated Gasoline Program	ARB	2007	2008
Trucks			
Cleaner In-Use Heavy-Duty Trucks	ARB	2007-2008	2010-2015
GOODS MOVEMENT SOURCES			
Auxiliary Ship Engine Cold Ironing and Other Clean Technology	EPA/ARB/ Local	2007	Phase-in starting 2010
Cleaner Main Ship Engines and Fuel	EPA/ARB Local	Fuel: 2007 Engines: 2009	2007-2010 Phase-in starting 2010
Port Truck Modernization	ARB/Local	2007	2008-2020
Accelerated Introduction of Cleaner Line-Haul Locomotives	EPA/ARB	2007-2008	By 2012
Clean Up Existing Harbor Craft	ARB	2007	2008-2018
OFF-ROAD SOURCES			
Off-Road Equipment			
Cleaner In-Use Off-Road Equipment (over 25hp)	ARB	2007	Phase-in starting 2008
Agricultural Equipment			
Cleaner In-Use Agricultural Equipment	ARB/Local	TBD	TBD
Other Off-Road Sources			
New Emission Standards for Recreational Boats	ARB	2009-2010	2012-2013
Expanded Off-Road Recreational Vehicle Emission Standards	ARB	By 2010	2012-2015
Portable Outboard Marine Tank Evaporative Standards	ARB	2007	2010
Refueling Gasoline Storage Tank Evaporative Standards	ARB	2008	2010
Gas Station Fueling Hose Evaporative Standards	ARB	2008	2012
Enhanced Vapor Recovery for Above Ground Storage Tanks	ARB	2007	Phase-in starting 2007
AREAWIDE SOURCES			
Consumer Products			
Consumer Products Program	ARB	2007-2008 2010-2012	By 2010 By 2012-2014
Pesticides			
DPR 2008 Pesticide Plan	DPR	2008	2008

TBD = To Be Determined.

Role of Funding and Incentive Programs

Over the past 40 years, California has steadily improved air quality in the face of tremendous economic and population growth. The vast majority of that progress has come from effective regulations. Accordingly, ARB staff expects State and federal regulations to play the primary role in implementing the State Strategy. In the regulatory paradigm, polluting sources pay for the necessary emission controls as part of doing business. Regulated industries may pass these costs on to consumers in the form of higher prices, although competition and other factors may prevent some companies from recouping all of their control costs. Low-interest loans with extended payment periods are available to aid smaller businesses that need upfront capital to comply.

In recent years, regulatory programs have been supplemented with financial incentives to accelerate voluntary actions, such as replacing older equipment. Incentive programs like the Carl Moyer Program are both popular and effective. They also help to demonstrate emerging technologies that then can be used to set a tougher emissions benchmark for regulatory requirements. Most of the existing incentive programs are designed to pay for the incremental cost between what is required by regulation and advanced technology that exceeds that level. The incentive programs are publicly funded through fees paid by California vehicle owners as part of their annual registrations, smog inspections or new tire purchases. California is currently investing up to \$140 million per year to clean up older, higher emission sources.

The support for clean air incentive funding from Governor Schwarzenegger, the Legislature, and California's voting public is reflected in the passage on November 7, 2006, of the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. The Bond Act includes \$1 billion to accelerate the cleanup of air pollution caused by goods movement activities in California. With appropriation by the Legislature, and subject to such conditions and criteria contained in a statute that it will enact, ARB will appropriate this money to fund emission reductions from activities related to the movement of freight along California's trade corridors.

Federal Actions Needed

Measures in the State Strategy to reduce emissions from interstate and international sources rely on the federal government to develop more stringent emissions standards and to ensure these standards go into effect as soon as possible. Emission reductions from locomotives, off-road equipment, marine auxiliary engines, and harbor craft are a significant part of the State Strategy. Proposed State measures would accelerate the introduction of cleaner engines and equipment, but the emissions reductions rely on the availability of cleaner new engines. Long-term federal actions to ensure ozone standards are reached in the South Coast and San Joaquin Valley are also needed and are addressed in the next section.

ARB is proposing several measures to reduce ship emissions through a combination of regulations, incentives, and actions by ports and the private sector. However, national and international action to clean up shipping fleets is also needed to fully realize our

clean air goals. And aircraft emissions, which will become one of the South Coast's top five NOx sources by 2020, are unaddressed in the State Strategy due to the lack of effective international standards.

California must rely on U.S. EPA to represent its interests before foreign or international regulatory bodies that have the ability to reduce emissions from international goods movement sources. In this role, U.S. EPA should advocate for the adoption of cleaner ship emission standards and less polluting practices by the International Maritime Organization.

Long-Term Concepts

The federal law recognizes that to meet air quality standards regions with the worst air quality must rely on strategies that cannot be successful without significant technological advances, improvements to reduce cost or increase cost-effectiveness, or the securing of a dependable stream of expanded financial incentives. Federal law specifically authorizes long-term measures for extreme nonattainment areas. When the South Coast and San Joaquin Valley air districts request reclassification, the long-term technology provisions become applicable. This section discusses potential long-term concepts that will be evaluated and refined for the next rounds of SIPs. Also discussed are ideas for further exploration and potential federal actions.

While this State Strategy's new measures will provide sizeable benefits, the emission reductions will not be enough to meet the federal 8-hour ozone standard in the South Coast and San Joaquin Valley. These areas will need significant additional emission reductions beyond those we will realize with the commitments in the State Strategy. To meet our current obligations under federal law, we must secure further emission reductions from long-term concepts by 2023.

ARB has a long-standing history of successfully adopting and implementing both technology-advancing strategies and innovative emission control techniques. By working closely with the regulated industry and research scientists, ARB staff have been able to craft regulations that are stringent enough to compel technology development, yet flexible enough to encourage industry innovations.

In parallel with work on the proposed near-term regulatory actions in the State Strategy, ARB will investigate the feasibility of emission reduction approaches that may not be currently ready for implementation. The investigation will cover emerging technologies as well as the extent to which emission reduction strategies such as market incentive programs, pollution prevention, public education, and voluntary efforts can complement and enhance the effectiveness of traditional control approaches. The output of this process will define the next round of ARB actions to be included in a future SIP revision.

Potential Long-Term Concepts

Approaches that ARB will evaluate for possible inclusion in the next SIP update include the following.

Passenger vehicles: look for further reductions from reduced deterioration of emission reduction components. While new cars are very clean, it may be possible to improve the on-board diagnostic capability of passenger vehicles and heavy-duty trucks to better target sources of emissions and to improve and encourage higher rates of repair.

Tighten emission standards wherever possible: review all categories of engines and vehicles to ensure that the cleanest cost-effective technologies are in place. For example:

- Exhaust and evaporative standards for on-road motorcycles.
- Second generation catalyst-based emission standards for inboard/stern drive marine engines.
- Tighter exhaust emission limits for small off-road engines.

Cleaner ground support equipment: push for increased electrification. Captured vehicle and equipment fleets used at airports are cleaner today through natural turnover and accelerated turnover spurred through cooperative State and local government and air company efforts. However, additional opportunities for increased electrification remain.

Agricultural equipment: incentives for accelerated modernization. Once NOx emission reduction needs for San Joaquin Valley PM2.5 attainment are identified, evaluate the need and potential to accelerate reductions beyond the natural replacement of older, dirtier agricultural engines to newer, cleaner engines.

Air quality priority for federal transportation funding: work with local governments to prioritize federal transportation funding uses to better support air quality goals. The federal Congestion and Air Quality Improvement (CMAQ) Program annually provides to county transportation agencies over \$200 million in the South Coast and about \$50 million in the San Joaquin Valley through 2009. The purpose of the CMAQ Program, according to Federal Highway Administration 2006 guidance, is to fund transportation projects that will contribute to attainment of national ambient air quality standards.

Ideas Requiring Further Exploration

Air quality control is an ever emerging field. At ARB, research and other staff work are continually developing new ways to control air pollutants and improve public health. At any one time there are always emission reduction ideas on the horizon that we have not fully explored or developed. Some of these approaches that are in various stages of development could turn out to be effective strategies at some point in the future.

The following approaches show promise as potential emission reduction strategies. However, because of technological constraints and uncertain authority, they are less defined and will require significant exploration prior to becoming concepts.

Explore opportunities for cleaner fuels. The near-term focus for fuels-related efforts in California will be to develop low carbon fuels in response to the Governors 2007 Executive Order. Separate from that effort, we will continue to evaluate the opportunities for cost-effective reformulations to reduce criteria pollutants emissions.

Pursue additional emission reductions from consumer products. Despite the actions to date and the new measures proposed in this plan, consumer products continue to be an ever larger percentage of ROG emissions because of population growth. ARB will continue to look for even cleaner consumer product technologies and innovative approaches to reduce emissions such as reactivity-based and market-based strategies. This would continue the search for new approaches to achieve emission reductions initiated within the near-term consumer product measure.

Explore approaches to further reduce volatile emissions from pesticides. With the Department of Pesticide Regulation as the lead, work with interested stakeholders to determine how pesticide emissions could be further reduced.

Continue and enhance current public education and outreach programs. Public and private energy conservation and efficiency programs would continue and expand. The establishment of a statewide public education campaign to reduce air pollution could be considered, and might include ideas to engage the public through (1) public education that more clearly connects voluntary clean air actions with public health benefits, and (2) increasing awareness of available low-emitting consumer products, paints, vehicles, lawn equipment, and recreational vehicles licensed to use clean air "green" labels.

Advocate for efficient regional land use and transportation strategies. In California, local governments have the authority over most transportation funding and land use decisions. The most effective way for regions to curb long-term growth of vehicle travel and lessen auto emissions is to build on and enhance current efforts to implement transportation and land use strategies proven to reduce vehicle trips and decrease average trips lengths.

Possible Federal Actions

Adopt more stringent standards for sources under federal control. U.S. EPA should move as fast as possible to lower standards for sources under its control, keeping in mind California's air quality challenge and attainment deadlines. There are categories of emission sources that we do not have the authority to regulate at the State level. We also do not have the ability to regulate sources in markets outside of California that then operate within California. Not only would federal action lower emissions for new sources, but it would allow State and local actions to lower emissions from existing sources by setting in-use rules that speed up the integration of the cleaner engines and technology into California fleets. These sources include: ships, locomotives, harbor craft, aircraft, and off-road equipment and vehicles.

Federal incentives for cleaner technology. Federal funding sources for clean air projects, as well as federal tax incentives promoting the manufacture, sale, and

purchase of cleaner vehicles, equipment, and technology could enhance California's aggressive incentive programs.

Ozone Attainment Demonstrations

The table on the following page illustrates how the State Strategy will meet the emission reduction targets for ozone in the South Coast and San Joaquin Valley.

This document has presented ARB staff's assessment of the State Strategy for the San Joaquin Valley and the South Coast in detail. ARB staff has also evaluated the impact of the proposed State Strategy on all 15 ozone nonattainment areas. For the remaining areas, modeling results and air quality data analyses show that, with the continued reductions in emissions on track to occur in each area, all will be able to show attainment by 2021 or earlier with identified measures.

ARB staff projects that Sacramento will attain by 2019 with a reclassification from serious to severe and will need additional reductions from ARB's proposed new measures. San Diego and Ventura are projected to attain by their deadline, although Ventura may consider a reclassification in their public SIP process for insurance. Transport impacted areas, especially downwind of the South Coast—the Antelope Valley, the Mojave Desert, and the Coachella Valley—will need to rely on new reductions that will occur upwind and will need to request reclassification to get the needed time. Areas downwind of the Central Valley—Western Nevada, Amador, Calaveras, Tuolumne, Mariposa, and Kern Counties—are projected to attain by their 2014 deadline with already adopted measures. Air quality modeling for these areas is new and ARB staff is continuing to evaluate the results. Finally, three areas--the Bay Area, Butte County, and the Sutter Buttes--now attain the ozone standard.

Setting the Ozone Emission Reduction Target (tons per day)

	Nonattainment Area			
		Coast (23)	San Joaquir Valley (2023	
	NOx ROG		NOx	ROG
2006 Emissions Inventory	972	732	650	452
Carrying Capacity	238	304	160	345
Emission Reduction Target	734	428	490	107

(2006 Emissions Inventory) – (Carrying Capacity) = (Emissions Reduction Target)

2006 Emissions Inventory = Amount of ozone-forming emissions.

Carrying Capacity = Pollutant emissions limit that ensures air quality standards are met.

Emission Reduction Target = Amount of emissions that must be reduced to meet the standard.

Meeting the Ozone Emission Reduction Target (tons per day)

	Nonattainment Area			
	South Coast (2023)			oaquin (2023)
	NOx ROG		NOx	ROG
Emission Reduction Target	734	428	490	38
Emission Reductions from Adopted SIP Measures	467	198	350	38
Emission Reductions from New Local Measures*	14	18	8	46
Emission Reductions from New State Measures	139	73	45	23
Long-Term Measures	114	139	87	
Total Reductions	734	428	490	107

Emission Reductions from Adopted SIP Measures. Emissions reduced from measures adopted through 2006.

Emission Reductions from New Measures. Emissions reduced from measures in the State Strategy or new local measures adopted after 2006.

Long-Term Measures. Emissions reduced from measures adopted after 2020 that rely on new or evolving technology, as allowed in section 182(e)(5) of the Clean Air Act.

^{*} Impact of South Coast local measures have not yet been estimated by air district staff for 2023. Estimates for 2020 were used.

Next Steps

This document has presented ARB's staff proposed State Strategy and provided a status report on how the State Strategy will support the attainment needs in the San Joaquin Valley and the South Coast. ARB expects that the San Joaquin Valley air district will release an update to its local SIP concurrent with ARB release of this document. We expect the South Coast air district will release an update shortly after ARB's release. ARB staff is currently targeting a May hearing of the Board for its consideration of the proposed State Strategy. The San Joaquin Valley and South Coast air districts are currently planning on local board hearings in the April-May timeframe. Other air districts are completing their SIPs on a similar schedule.

Prior to the ARB hearing, staff will release a final proposed draft of the State Strategy. Release will be 45 days before a scheduled hearing. That final draft will include additional elements that are not included in this draft. Elements that staff expects to include in the final draft include.

- Updated measures
- Complete attainment demonstrations
- Detailed air quality modeling and modeling protocols
- Corroborative analyses
- Economic analysis
- Environmental impacts analysis
- · Detailed emissions data
- Reasonable Further Progress demonstrations
- Contingency measures
- Measure commitments
- Emissions budgets

ARB staff will also hold public workshops to solicit comment on the proposed State Strategy. Those workshops are not yet scheduled.